

MEMORANDUM

Agenda Item No. 8(A)(2)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: May 15, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution authorizing
settlement of claims with
Siemens Energy &
Automation, Inc.,

The accompanying resolution was prepared by the Aviation Department and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.



R. A. Cuevas, Jr.
County Attorney

RAC/jls

Memorandum



Date: May 15, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over the name and title.

Subject: Settlement Agreement with Siemens Energy & Automation, Inc. for the Miami International Airport North Terminal Development Program Baggage Handling System Installation, Project No. B703A1, in the amount of \$7,866,520

RECOMMENDATION

It is recommended that the Board of County Commissioners approve a Settlement Agreement between Siemens Energy & Automation Industry, Inc. (Siemens) and Miami-Dade County (the County) in the amount of \$5,866,520. This Agreement settles various contractor claims, including those arising as a result of delays to the project and as a result of prolonged mediation of these issues. This item also adds \$2,000,000 to the contract allowance account for reservations of rights and any future potential impacts to the contract. This Settlement Agreement will be effectuated by the Board's approval of the attached Change Order No. MDAD-7 (Attachment A). The Baggage Handling System has been operational since March 20, 2012, and it is performing substantially in accordance with the recently agreed performance metrics between American Airlines and the County.

SCOPE

Miami International Airport (MIA) is located primarily within Commissioner Rebeca Sosa's District Six. However, the impact of this agenda item is countywide in nature as MIA is a regional asset.

FISCAL IMPACT/FUNDING SOURCE

The fiscal impact is \$7,866,520. This Settlement Agreement is funded by monies transferred from the approved Capital Improvement Program Contingency Account into the Siemens contract. This Settlement Agreement does not increase the dollar amount of the approved Capital Improvement Program budget and therefore no additional bond sale is required.

BACKGROUND

Due to delays with the Baggage Handling System project, on February 10, 2011, Siemens submitted a claim for \$28,647,310 which was rejected by the Miami-Dade Aviation Department and later reduced and re-submitted on June 10, 2011, as a claim for \$16,345,333 representing the asserted value of delayed, disrupted, and otherwise impacted work. The North Terminal Development management team negotiated with Siemens regarding this claim for over nine months without significant progress. To avoid litigation and preserve progress on the job, the County and Siemens agreed to mediate this claim. Prolonged mediation efforts resulted in a Final Settlement of \$12,723,149. To date, Siemens has been paid \$8,473,149 toward the Final Settlement from existing contract funds. The \$5,866,520 included in this item constitutes a final payment of \$4,250,000 toward the mediated Final Settlement and provides \$1,616,520 for time extension compensation from February 15, 2012 through March 31, 2013.

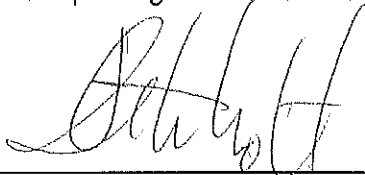
Item	From	To	Days	Amount
A. Partial WOs 155/183/217				\$ 4,973,149.00
B. Phases 1 & 2	2/28/2011	2/14/2012	351	\$ 3,500,000.00
C. Completion (all phases)	Phase 1&2 - 2/15/2012 Phase 3 - 10/31/2011	10/1/2012	336	\$ 4,250,000.00
FINAL SETTLEMENT	2/28/2011	10/1/2012	581	\$ 12,723,149.00
D. Additional time Phase 3	10/2/2012	3/31/2013	180	\$ 1,616,520.00

NOTE: Siemens' claim (COP320) extended the contract to 3/22/2012. The original claim was for \$28.6M which was reduced to \$16.5M and was finally settled for \$12.7M.

This Settlement Agreement also includes additional time delays beyond the claim, additional warranties, a fixed labor rate and adds \$2,000,000 to the contract allowance account for reservations of rights and any future potential impacts to the contract. The Miami-Dade Aviation Department's independent bond engineer, HNTB, concurred with this result.

This settlement fully liquidates all claims Siemens has for (a) compensable time extensions through March 31, 2013, and (b) other project impacts based on events through March 20, 2012, which included but are not limited to all claims for delay, acceleration, disruption, inefficiency, and all claims for additional direct or indirect costs, financing costs, lost profit, or loss of opportunity for those impacts.

The contractor also agreed to provide extended warranty coverage against rust and corrosion for parts and equipment through February 16, 2017. The County has agreed to release \$1,921,305.22 in currently held retainage and has agreed to consider the release of additional retainage when the C-Shed is demolished. The County expects that this demolition will occur in July 2012, which will allow completion of various ramp work, the completion of the Federal Inspection Services area, and the placing into service of Gates D26, 27, and 28.



Jack Osterholt, Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: May 15, 2012


FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A) (2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☒ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ No committee review
- ☒ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous____) to approve
- ☒ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A) (2)
5-15-12

RESOLUTION NO. _____

RESOLUTION AUTHORIZING SETTLEMENT OF CLAIMS WITH SIEMENS ENERGY & AUTOMATION, INC.; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE CHANGE ORDER NUMBER MDAD-7 TO MIAMI-DADE COUNTY CONTRACT WITH SIEMENS ENERGY & AUTOMATION, INC. FOR NORTH TERMINAL DEVELOPMENT BAGGAGE HANDLING SYSTEM INSTALLATION, PROJECT NO. B703A1, IN THE MAXIMUM AMOUNT OF \$7,866,520, WHICH AMOUNT IS INCLUSIVE OF \$5,866,520 TO SETTLE OUTSTANDING CLAIMS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that hereby approves Change Order Number MDAD-7 with Siemens Energy & Automation, Inc., relating to North Terminal Development Baggage Handling System Installation, Project No. B703A1 at Miami International Airport, in substantially the form attached hereto and made a part hereof, which change order settles various contractor claims via payment of \$5,866,520.00 and adds \$2,000,000.00 into the contract allowance account; authorizes the County Mayor or County Mayor's designee to execute and enforce same on behalf of the County.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman

Audrey M. Edmonson, Vice Chairwoman

Bruno A. Barreiro

Esteban L. Bovo, Jr.

Sally A. Heyman

Jean Monestime

Rebeca Sosa

Xavier L. Suarez

Lynda Bell

Jose "Pepe" Diaz

Barbara J. Jordan

Dennis C. Moss

Sen. Javier D. Souto

The Chairperson thereupon declared the resolution duly passed and adopted this 15th day of May, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board; however, in the event that the Mayor chooses to waive his veto, this resolution shall be effective when the attached Change Order is signed by the Mayor or County Mayor's designee.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

RAE for JMM

David M. Murray

MIAMI - DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT

CHANGE ORDER NO: MDAD-7

PROJECT NO: B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

YOU ARE HEREBY REQUESTED TO MAKE THE FOLLOWING CHANGES TO THE CURRENT CONTRACT, AND TO PERFORM THE WORK SUBJECT TO ALL CONTRACT STIPULATIONS AND COVENANTS.

ITEMIZATION AND DESCRIPTIONS BEGIN ON PAGE 2 OF THIS CHANGE ORDER

SUMMARY OF CONTRACT AMOUNT

REASON FOR CHANGE:	ORIGINAL CONTRACT AMOUNT.....	\$104,694,804.00
<input type="checkbox"/> Regulatory Change	COST OF CONSTRUCTION CHANGES PREVIOUSLY ORDERED.....	\$106,965,196.00
<input type="checkbox"/> Other Agency Requested Change	ADJUSTED CONTRACT AMOUNT PRIOR TO THIS CHANGE ORDER.....	\$211,660,000.00
<input type="checkbox"/> Design Errors Change	COST OF CONSTRUCTION CHANGES THIS ORDER.....	\$7,866,520.00
<input type="checkbox"/> Design Omission Change	ADJUSTED CONTRACT AMOUNT INCLUDING THIS CHANGE ORDER.....	\$219,526,520.00
<input checked="" type="checkbox"/> County Requested Change	PERCENT INCREASE, THIS CHANGE ORDER.....	7.51%
	TOTAL PER CENT INCREASE TO DATE.....	109.88%
	EXTENSION OF TIME ALLOWED BY THIS CHANGE <u>410</u> CALENDAR DAYS	

CERTIFYING STATEMENT: I hereby certify that the supporting cost data included is, in my considered opinion, accurate; that the prices quoted are fair and reasonable and in proper ratio to the cost of the original work contracted for under benefit competitive bidding.

SIGNATURE CONSULTING ARCHITECT OR ENGINEER

TO BE FILLED OUT BY DEPARTMENT INITIATING CHANGE ORDER

AVIATION
DEPARTMENT

B703A1, B1501, AV3201, 942.100
FUNDS BUDGETED CODE

CERTIFIED BY

ACCEPTED BY: CONTRACTOR

APPROVED: BUDGET DIRECTOR
DADE COUNTY, Florida

By its BOARD OF COUNTY COMMISSIONERS

RECOMMENDED: PROJECT MANAGER CHIEF ARCHITECT/CHIEF ENGINEER
4/23/12

By: County Manager DATE

APPROVED: HNTB (CONSULTING ENGINEER) DEPT. BUSINESS DEVELOPMENT

ATTEST:

APPROVED: DEPARTMENTAL DIRECTOR

By: Deputy Clerk

APR 24 2012

MIAMI – DADE COUNTY CHANGE ORDER TO ORIGINAL CONTRACT

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

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<input type="checkbox"/> Design Omission Change	ADJUSTED CONTRACT AMOUNT INCLUDING THIS CHANGE ORDER	\$219,526,520.00
<input checked="" type="checkbox"/> County Requested Change	PERCENT INCREASE, THIS CHANGE ORDER	7.51%
	TOTAL PER CENT INCREASE TO DATE	109.68%
	EXTENSION OF TIME ALLOWED BY THIS CHANGE <u>410</u> CALENDAR DAYS	

CERTIFYING STATEMENT: *I hereby certify that the supporting cost data included is, in my considered opinion, accurate; that the prices quoted are fair and reasonable and in proper ratio to the cost of the original work contracted for under benefit competitive bidding.*

SIGNATURE CONSULTING ARCHITECT OR ENGINEER

TO BE FILLED OUT BY DEPARTMENT INITIATING CHANGE ORDER

DEPARTMENT	FUNDS BUDGETED CODE	CERTIFIED BY
<hr/>		
Siemens Industry, Inc.		
ACCEPTED BY: 	APPROVED:	
CONTRACTOR	BUDGET DIRECTOR	
Federal Insurance Company	DADE COUNTY, Florida	
4/25/12	By its BOARD OF COUNTY COMMISSIONERS	
SURETY	Stacy Rivera, Attorney-in-Fact & FL Non-resident agent	
RECOMMENDED:	By:	DATE
PROJECT MANAGER CHIEF ARCHITECT/CHIEF ENGINEER	County Manager	
APPROVED:	ATTEST:	
HNTB (CONSULTING ENGINEER),	DEPT. BUSINESS DEVELOPMENT	
APPROVED:	By:	
DEPARTMENTAL DIRECTOR	Deputy Clerk	

**MIAMI – DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

ITEM 1: INCREASE THE OWNER'S ALLOWANCE ACCOUNT

AMOUNT

1.1 Item 1 of this Change Order increases the Owner's Allowance Account of the contract and is intended by MDAD to provide adequate funding to take care of certain reserved claims as specified below, if entitlement is demonstrated by the Contractor, and to address any remaining unforeseen work necessary for the successful completion of the project.

\$2,000,000.00

1.2 Item 1 of this Change Order provides funding for the Owner's Allowance Account and does not authorize the Contractor to either perform the work described herein or entitle the Contractor to claim or receive payment of any of the funds referenced herein unless and until a Work Order, duly executed pursuant to Contract provisions, so authorizes and entitles the Contractor. Such Work Orders, when executed, shall contain appropriate waiver, release, and reservation of rights clauses pertinent to the work description and cost provisions included therein.

ITEM 2:

\$5,866,520.00

Agreement for Full and Final Resolution, Waiver and Release of Certain Costs and Expenses Arising Out of or Relating to Unilateral Work Orders ("UWOs") 1-155, 1-183, 1-193, Contractor's Change Order Proposal 320 ("COP 320"), and any Other Events or Circumstances Which Occurred or are Alleged to Have Occurred at any time prior to and including March 20, 2012.

The County, shall, by May 31, 2012, or soon thereafter as is possible with the exercise of the County's best efforts, render payment to Contractor in the amount of \$5,866,520.00. ("the Payment.") Time is of the essence, although nothing in this Change Order shall obligate the Owner to render the Payment absent approval of the Board of County Commissioners. If the Board of County Commissioners does not approve the Payment in full to Contractor, or if Contractor otherwise does not receive the Payment in full, then Contractor agrees that the maximum amount of its Claims, excluding the Reserved Claims (defined in Section 3 below), is \$12,000,000.00 not including attorneys' or consultants' fees and expenses.

In consideration of and effective on Contractor's receipt of the Payment, Contractor shall waive and release all claims or demands for extra compensation for (a) compensable or non compensable time extensions through March 31 2013, and (b) for other Project impacts based on events through March 20, 2012 (including but not limited to all claims for delay, acceleration, disruption, inefficiency, cumulative impact, or otherwise, and including but not limited to all claims for additional direct or indirect costs, home

**MIAMI – DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

office expenses, financing costs, lost profit, or loss of opportunity for those impacts)(collectively, "Claims"); this release, however, is subject to the reserved claims contained in Section 3 of this Change Order ("the Reserved Claims.").

Notwithstanding the preceding, nothing herein shall be construed as an admission on the part of the Owner that any Claims or Reserved Claims are valid either legally or factually, and nothing herein shall serve as a waiver or limitation on any defense as may be held by the Owner with respect to such Claim or Reserved Claim.

Under the Work Order agreement dated March 20, 2012 and as memorialized in Work Order 1-217 (both attached as Exhibit B), the Owner paid Contractor US \$3,500,000.00 for 351 calendar days of time extension compensation from February 28, 2011 through February 14, 2012. The Payment under this Change Order 7 is for the additional 410 calendar days of time extension compensation from February 15, 2012 through March 31, 2013 and for other Project impacts based on events through March 20, 2012, subject to the Reserved Claims.

Upon Contractor's receipt of the Payment, Contractor's waiver and release regarding the Claims (subject to the Reserved Claims) set forth immediately above shall supersede the waiver and release in the Work Order dated March 20, 2012 and as memorialized in Work Order 1-217. Except for the Reserved Claims, Contractor expressly understands that all such claims, rights, costs, or expenses, inclusive of claims, rights, costs which are or were purported to be reserved in Work Order 1-217 are wholly and without limitation waived and released (subject to the Reserved Claims) by execution of this Change Order 7.

In the consideration for the terms of this Change Order 7, the Owner, for itself and its officers, employees, sureties, insurers, attorneys, consultants, representatives, and agents, releases and waives against Contractor any and all claims, disputes and causes of action of any kind (including without limitation claims at law in equity and under statute) for direct costs, indirect costs, liquidated damages, or other damages of any kind or nature, regarding Project events through March 20, 2012 (including without limitation the subject matter concerning the UWOs, COP 320, the ECOP which Contractor withdrew before submitting COP 320, and the Work Order dated March 20, 2012 and as memorialized in Work Order 1-217); provided, however, that the County expressly reserves, and does not release or waive, any warranties, punchlist work claims for latent defects, or claims based on the material and willful falsification of Project labor or equipment costs. Except as provided for in this Change Order 7, nothing contained herein shall deprive the County of any right or defense it otherwise holds under the Contract.

10

**MIAMI - DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

ITEM 3: CONTRACTOR RESERVATIONS

\$0.00

The Contractor expressly reserves, and does not release or waive, claims or damages for the following:

1. Unpaid base work, or unpaid work included in executed work orders, such work orders being limited to those shown on the attached Exhibit A.
2. Billings against UWO 1-155, UWO 1-183, and UWO 1-193
3. Project impacts based on events after March 20th, 2012, including time extensions.
4. Time extensions beyond March 31, 2013, or other project impacts due to building alterations or restricted access to installation or material handling areas through March 20, 2012 or due to events after March 20, 2012.

Notwithstanding the preceding, nothing herein shall be construed as an admission on the part of the Owner that any Claims or Reserved Claims are valid either legally or factually, and nothing herein shall serve as a waiver or limitation on any defense as may be held by the Owner with respect to such Claim or Reserved Claim.

ITEM 4: WARRANTY

\$0.00

Contractor shall provide extended warranty coverage against rust and corrosion through February 16, 2017 for certain parts and equipment as fully described in the letter from Shane Alton to Juan Carlos Arteaga dated March 1, 2012 (attached as Exhibit C). The Owner and Contractor reserve any contractual rights or defenses they have in accordance with the Contract Documents regarding the expiration date for the Design Warranty.

ITEM 5: CONTRACT LABOR RATE

\$0.00

For any labor rate-related time extension claims based on events after March 20, 2012, and not otherwise expressly resolved, released or waived under this Change Order 7, the Owner and Contractor stipulate that the labor "burn rate" shall be US \$8,000.00 each day, plus 6% for SG&A and 5.11% for profit ("Labor Burn Rate"). The Labor Burn Rate shall escalate by 3% on March 20 of each successive year.

**MIAMI – DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

ITEM 6: RETAINAGE

\$0.00

The County shall release \$1,921,305.22 in currently held retainage. This payment shall be made upon receipt of a pay application by the Contractor, and payment shall be made in accordance with the terms and conditions of the Contract. The County may release additional retainage upon the date the C-Shed is demolished.

Except as specifically noted herein, the terms and conditions of the Contract Documents remained unchanged.

Justification: County Requested Change

**MIAMI - DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

RESERVED FOR POWER OF ATTORNEY

**MIAMI – DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO: MDAD-7

PROJECT NO. B703A1

DATE: April 13, 2012

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Energy & Automation, Inc.

RESERVED FOR FLORIDA INSURANCE LICENSE



**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint **Aiza Lopez, Jeannette Porrini and Stacy Rivera of Hartford, Connecticut**

each as their true and lawful Attorney- in- Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this **5th** day of **October, 2011**.


Kenneth C. Wendel, Assistant Secretary


David B. Norris, Jr., Vice President

STATE OF NEW JERSEY

ss.

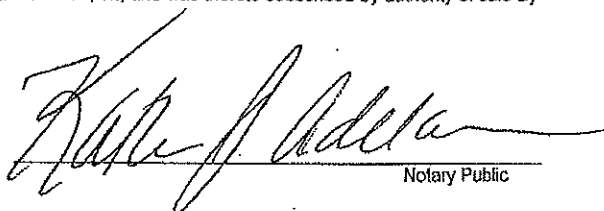
County of Somerset

On this **5th** day of **October, 2011** before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By- Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By- Laws and in deponent's presence.

Notarial Seal



**KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2014**


Notary Public

CERTIFICATION

Extract from the By- Laws of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers; Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys- in- Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate-bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that

- (i) the foregoing extract of the By- Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **25th** day of **April 2012**




Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903- 3493 Fax (908) 903- 3656

e-mail: surety@chubb.com

ALEX SINK
Chief Financial Officer
State of Florida

STACY RIVERA

License Number 207463

IS LIMITED TO THE FOLLOWING CLASSES OF INSURANCE
GENERAL LIABILITY 01/01/2009

NON-RESIDENT
LICENSE



"NOTICE" - This non-resident license is limited to the classes of insurance indicated above and is further limited to ONLY those classes of insurance indicated above and is to be governed accordingly. This license must have an active appointment with the insurer for the products or services are being marketed.

Exhibit A to Change Order MDAD No. 7

MIA NTD BHS Program -- unpaid base work and extra work items

Open items as of April 4, 2012:

COP No.	Description	Proposed Value
286	BHS Advice for Live Operations [The County and Contractor reached a negotiated lump sum settlement of COP 286 and COP 369 on April 3, 2012, to be memorialized in Work Order 1-218 for \$2,114, 405.00]	\$1,285,857.00
318	EFIS Re-check OS Conveyor, T-9 Conveyor and Existing CD#19 Modifications	\$257,242.00
328	Technical Engineering Support	\$286,415.00
338	April 01, 2011 Investigation	\$77,815.00
343	MIA NTD AA Transition Issues	\$328,053.00
351	Reinstatement and test period maintenance	\$680,852.00
359	7,500 Bag Test Scheduled for October 19, 2011	\$125,048.00
364	Water Damage Repair 10-17-11	\$12, 392.00
369	Electrical, Mechanical, CBRA, and Ticket Counter Advice for Live Operations [The County and Contractor reached a negotiated lump sum settlement of COP 286 and COP 369 on April 3, 2012, to be memorialized in Work Order 1-218 for \$2,114, 405.00]	\$987,907.00
370	X4 Side Guards Clearance Bars, and Control Station Relocation	\$51,967.00
372	Temporary F1/F2 Conveyor Modifications for E-FIS Recheck Operations	\$56,302.00
TBD	Parts for Startup PREP WO	TBD
Contractor Application for Payment No. 109	COPs and other work, plus retainage, referenced in Pay Application No. 109	See Pay App No. 109

Allowance Account Work Order # 1- 217

EXHIBIT B

OWNER'S GENERAL ALLOWANCE ACCOUNT

LOCATION: Miami International Airport - North Terminal Development

MAR 23 2012

PROJECT NO. B703A1 DATE: 3/22/12
PROJECT NAME: MIA-N.T.D. Automated Baggage System DESCRIPTION: Extension of Time and Related Compensation
Installation
TO CONTRACTOR: Siemens Energy and Automation, Inc. PWO: N/A

The Contractor is hereby authorized to make the following Changes to the current Contract, and perform the Work subject to all Contract stipulations and covenants.

ITEM NO. DESCRIPTION OF WORK

AMOUNT

1

This Work Order relates to the Miami International Airport Baggage Handling System project (Project). The County previously authorized payments and gave time extensions to Contractor under the following Unilateral Work Orders ("UWOs") for the Project: US\$1,631,218.00 and 245 calendar days under UWO 1-155; US\$3,009,931.36 and 336 calendar days under UWO 1-183; and US\$332,900.89 under UWO 1-193 (the "Previously Authorized Payments And Time"). Under this Work Order, the Owner will pay US\$3,500,000 to Contractor in addition to the Previously Authorized Payments And Time, on the terms set forth below:

\$3,500,000.00

a. The Owner shall pay the amount of US\$3,500,000 (in addition to the Previously Authorized Payments And Time) to Contractor by wire transfer on or before March 23, 2012, for additional time extension compensation for 351 calendar days from February 28, 2011, through February 14, 2012 (the "Payment").

b. Contractor acknowledges and accepts the time extensions set forth in the UWOs, including without limitation, the revised Substantial Completion Date for FIS Phase 3 of October 1, 2012.

c. Any warranties applicable to Bag Operations Phases 1 & 2 shall expire on February 15, 2013, and any FIS Phase 3 warranties shall expire on March 31, 2014.

d. In consideration for receipt of the Payment and for other valuable consideration, Contractor, for itself and its parents, affiliates, shareholders, officers, directors, employees, sureties, insurers, attorneys, consultants, representatives, and agents, releases and waives against the Owner any and all claims for the 351 day time extension compensation through February 14, 2012 (including without limitation any such claims within COP 320); provided, however, that Contractor expressly reserves and does not release or waive, any other claims and damages for other delays and for other disruption, acceleration and cumulative impacts, but expressly agrees that the maximum amount of those reserved claims and damages is \$12,000,000.00 (not including attorneys' or consultants' fees and expenses). Further, the Owner and Contractor agree that Contractor's release and waiver does not affect the Previously Authorized Payment And Time or any other Project issues, including without limitation compensation for unpaid Work Orders (executed or in current negotiations). Notwithstanding the preceding, nothing herein shall be construed as an admission on the part of the Owner that any such reserved claims are valid either legally or factually, and nothing herein shall serve as a waiver or limitation on any defense as may be held by the Owner with respect to such claim.

e. In consideration for the terms of this negotiated lump sum Work Order, the Owner, for itself and its officers, employees, sureties, insurers, attorneys, consultants, representatives and agents, releases and waives against Contractor any and all claims, disputes and causes of action of any kind (including without limitation both claims at law and in equity) for direct costs, indirect costs, times extensions, or other damages, regarding Project events to date (including without limitation the subject matter concerning the UWOs, COP 320 and previously withdrawn ECOP); provided, however, that the Owner expressly reserves, and does not release or waive, any existing warranties, punchlist work, or claims for latent defects or for material and willful falsification of Project labor or equipment costs.

f. For any labor rate-related time extension claims based on events after the date of this Work Order and not otherwise expressly resolved, released or waived under this Work Order, the County and Contractor stipulate that the labor "burn rate" for direct and indirect costs shall be US \$8,000.00 each day, plus 6% for SG&A and 5.11% for profit ("Labor Burn Rate"). The Labor Burn Rate shall escalate by 3% each year on the anniversary date of this Work Order.

g. Except for the stipulated Labor Bur Rate, the Owner and Contractor agree that this negotiated lump sum Work Order shall not constitute or be used as precedent for any future negotiated lump sum Work Orders or claims.

h. The Owner and Contractor have made and agreed to this negotiated lump sum Work Order without any admission of liability, but instead to avoid costly litigation regarding the subject claims and damages.

i. Contractor's next schedule update shall be revised to the extent necessary to incorporate the Work required herein to the Owner's satisfaction. Also, within two (2) weeks from the date of execution of this Work Order, Contractor shall submit a revised schedule of values acceptable to Owner incorporating Work Order #1-217 and shall thereafter bill Owner for the performance of Work Order #1-217 Work within Contractor's regular, periodic payment applications. Except as specifically set forth herein, the terms and conditions of the Contract Documents are unchanged by this Work Order.

This negotiated lump sum Work Order constitutes the entire and binding agreement between the Owner and Contractor with respect to the stated subject matter; however, except as expressly set forth herein, the Contract Documents remain unchanged.

JUSTIFICATION: COUNTY REQUESTED CHANGE

1 Resolution of time impact compensation through 02/14/2012 arising out of time extensions granted in UWOs 1-155, 1-183 and 1-193.

REASON FOR CHANGE:

Regulatory Change
Other Agency Requested Change
Design Errors
Design Omissions
County Requested Changes
Unforeseen or Unforeseeable Conditions
Other: American Airlines (AA) Request

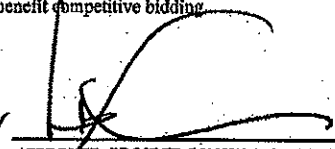
ORIGINAL ALLOWANCE ACCOUNT AMOUNT	\$ 49,963,296.00
INCREASE GENERAL ALLOWANCE ACCOUNT (CO #5) ...	\$ 56,000,000.00
TOTAL ALLOWANCE ACCOUNT AMOUNT	\$ 105,963,296.00
PREVIOUS WORK ORDERS TO DATE	\$ 98,778,894.25
PREVIOUS BALANCE IN ALLOWANCE ACCOUNT	\$ 7,186,401.75
AMOUNT OF THIS WORK ORDER NO.	\$ 3,500,000.00
BALANCE IN ALLOWANCE ACCOUNT	\$ 3,686,401.75

A/E CERTIFYING STATEMENT:

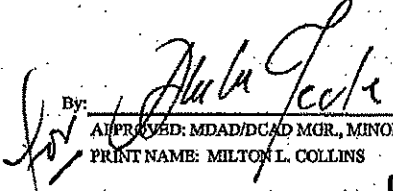
I hereby certify that the supporting cost data and information herein included is, in my considered opinion, accurate; that the prices quoted are fair and reasonable and in proper ratio to the cost of the original work contracted for under benefit competitive bidding.

By:  3/22/2012
ACCEPTED: SIEMENS ENERGY AND AUTOMATION, INC.
PRINT NAME: DEL HOLLINGSWORTH


DATE

By:  3.22.2012
APPROVED: PROJECT CONSULTANT/ A/E
PRINT NAME: ROBERT BAKER (URS)

DATE

By:  3/22/12
APPROVED: MDAD/DCAD MGR., MINORITY AFF
PRINT NAME: MILTON L. COLLINS

DATE

By:  3/22/2012
RECOMMENDED: NTD PROJECT MGR
PRINT NAME: JOSE REMIS

DATE

By:  3/23/12
APPROVED: CONSULTING ENGINEER (HNTB)
PRINT NAME: WILLIAM STUENKEL

DATE

By:  03/23/12
APPROVED: MDAD AUTHORIZED SIGNATURE
PRINT NAME: JUAN CARLOS ARTEAGA

DATE

Attached: DBE/BBE SUPPLEMENT SHEET

cc: A&E/Contractor/HNTB/NTD Projects Control/Min. Aff/Contracts Administration

Allowance Account Work Order # 1- 217
OWNER'S GENERAL ALLOWANCE ACCOUNT

DBE/CSBE SUPPLEMENT SHEET

PROJECT NO. B703A1 DATE: 3/22/12
PROJECT NAME: MIA-N.T.D. Automated Baggage System DESCRIPTION: Extension of Time and Related Compensation
Installation
TO CONTRACTOR: Siemens Energy and Automation, Inc. PWO: N/A

***** MUST BE COMPLETED PRIOR TO APPROVAL *****

Existing Subcontractor(s) to Perform Work:

Yes _____ No X

If Yes:

Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____

If No:

Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____
Sub-Name:	_____	Code:	_____	Amount:	_____

CODE: DBE-DISADVANTAGED BUSINESS ENTERPRISE CSBE-COMMUNITY SMALL BUSINESS ENTERPRISE

Work Order

This Work Order relates to the Miami International Airport Baggage Handling System project (Project). The County previously authorized payments and gave time extensions to Contractor under the following UWOs for the Project: US \$1,631,218.00 and 245 calendar days under UWO 1-155; US \$3,009,931.36 and 336 calendar days under UWO 1-183; and US \$332,000 under UWO 1-193 (Previously Authorized Payments And Time). Under this Work Order, the County will pay US \$3,500,000.00 to Contractor in addition to the Previously Authorized Payments And Time, on the terms set forth below in Item No. 1.

Description of Work

Item No. 1

In consideration of the mutual covenants herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the parties, the County and Contractor agree as follows:

1. Under UWOs 1-155 and 1-183, the Substantial Completion Date for FIS Phase 3 is extended to October 1, 2012.
2. The County shall pay the US \$3,500,000.00 (in addition to the Previously Authorized Payments And Time) to Contractor by wire transfer on or before March 23, 2012, for time extension compensation for 351 calendar days from February 28, 2011, through February 14, 2012 (Payment).
3. Any warranties for Bag Operations Phases 1 & 2 shall expire on February 15, 2013. Any FIS Phase 3 warranties shall expire on March 31, 2014.
4. In consideration for receipt of the Payment and for other valuable consideration, Contractor, for itself and its parents, affiliates, shareholders, officers, directors, employees, sureties, insurers, attorneys, consultants, representatives, and agents, releases and waives against the County any and all claims for the 351-day time extension compensation through February 12, 2012 (including without limitation any such claims within COP 320); provided, however, that Contractor expressly reserves, and does not release or waive, any claims and damages for other delays and for disruption, acceleration and cumulative impacts but expressly agrees that the maximum amount of those reserved claims and damages is \$12,000,000.00 (not including attorneys' or consultants' fees and expenses). Further, the parties agree that Contractor's release and waiver does not affect the Previously Authorized Payments And Time or any other Project issues, including without limitation compensation for unpaid Work Orders (executed or in current negotiations). Notwithstanding the preceding, nothing herein shall be construed as an admission on the part of the County that any such reserved claims are valid either legally or factually, and nothing herein shall serve as a waiver or limitation on any defense as may be held by the County with respect to such claim.

5. In the consideration for the terms of this negotiated lump sum Work Order, the County, for itself and its officers, employees, sureties, insurers, attorneys, consultants, representatives, and agents, releases and waives against Contractor any and all claims, disputes and causes of action of any kind (including without limitation both claims at law and in equity) for direct costs, indirect costs, time extensions, or other damages, regarding Project events to date (including without limitation the subject matter concerning the UWOs, COP 320 and previously withdrawn ECOP); provided, however, that the County expressly reserves, and does not release or waive, any existing warranties, punchlist work, or claims for latent defects or for material and willful falsification of Project labor or equipment costs.

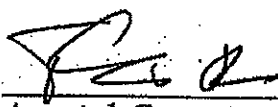
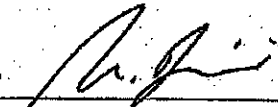
6. For any labor rate-related time extension claims based on events after the date of this Work Order and not otherwise expressly resolved, released or waived under this Work Order, the County and Contractor stipulate that the labor "burn rate" for direct and indirect costs shall be US \$8,000.00 each day, plus 6% for SG&A and 5.11% for profit (Labor Burn Rate). The Labor Burn Rate shall escalate by 3% each year on the anniversary date of this Work Order.

7. Except for the stipulated Labor Burn Rate, the County and Contractor agree that this negotiated lump sum Work Order shall not constitute or be used as precedent for any future negotiated lump sum Work Orders or claims.


8. The County and Contractor have reached this negotiated lump sum Work Order without any admission of liability, but instead to avoid costly litigation regarding the subject claims and damages.

9. This negotiated lump sum Work Order constitutes the entire and binding agreement between the parties with respect to the stated subject matter.

Accepted as of March 20, 2012:

By:   3/20/12
Accepted: Contractor Date

Print Name: T. Baez M. Dawid

By:  03/20/12

Recommended: Project Manager Date

Print Name: JUAN CARLOS ARTEAGA

By:  3/20/12
Approved: MDAAD Authorized Signature Date
Print Name: JOSE ABRU

Agreement

The County, subject to the approval of the Board of County Commissioners, agrees to pay \$4,250,000.00 to Contractor for the remaining portions of Unilateral Work Orders 1-183 and 1-193, inclusive of time extensions through October 1, 2012, and for any claims regarding COP 320 or otherwise based on events through the date of this Agreement, and subject to the negotiation of reasonable and commercial terms (including an appropriate mutual release) in accordance with the parties' agreement, to be memorialized in a separate written document between the parties on or before April 3, 2012. The County shall submit and support the request for \$4,250,000.00 to the Board of County Commissioners as soon as practicable once the written document memorializing this Agreement is executed by the parties. Nothing contained in this Memorandum shall obligate the County to render any payment absent action of the Board of County Commissioners

Agreed as of March 20, 2012:

By: T. Royle M. David 20/31/12
Accepted: Contractor Date
Print Name: T. Royle M. David

By: Juan P. Arteaga 03/20/12
Recommended: Project Manager Date
Print Name: JUAN CARLOS ARTEAGA

By: Jose Abreu 3/20/12
Approved: MDAD Authorized Signature Date
Print Name: JOSE ABREU

SIEMENS**Infrastructure & Cities**

March 1, 2012

Juan Carlos Arteaga
 NTD Baggage Project
 Miami International Airport
 P.O. Box 025504
 Miami, FL 33102

RE: Equipment Rust & Corrosion Extended Warranty Letter of Agreement rev4

Dear Mr. Arteaga:

This letter agreement represents the final agreement between the parties with regards to the final closeout of the rust and corrosion punchlist items and a warranty extension for the equipment associated with these items as outlined below. The following terms shall constitute a final resolution of the disputed items:

Upon execution of this agreement, all punchlist items related to rust and corrosion as shown on Exhibit A shall be considered 100% closed and otherwise complete. In consideration of this agreement and contingent upon satisfaction of such terms, Siemens agrees to provide an extended warranty limited to components identified in Exhibit A to this Agreement as having rust/corrosion. This extended warranty is limited to the repair and replacement of a BHS component identified in Exhibit A whose functional or safe operation as required by specifications has been compromised solely as a result of damage caused by the rust/corrosion on the identified component. This extended warranty shall expire on February 16, 2017. The normal warranty exclusions of the Contract shall remain in full force and effect.

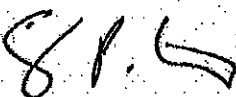
Additionally, as part of this agreement, Siemens agrees to repair and/or replace installed control station components associated with these corrosion punchlist items or as otherwise outlined in Exhibit B.

Please signify your agreement to these terms and conditions by signature below.

Best regards,

AGREED and ACCEPTED:

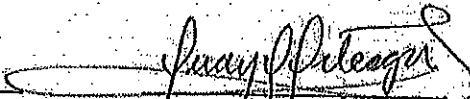
AGREED and ACCEPTED:



Shane Allon
 Sr. Project Manager
 Siemens Industry, Inc.



Bob Baker
 NTD Project Coordinator
 URS



Juan Carlos Arteaga
 NTD Program Director
 MDAD

CC: J. Millan-Clegg - MDAD
 Stephen Kramar - Siemens
 Kevin Wilcox - URS
 Larry Schneider - URS